

Mitsubishi Tanabe Pharma Corporation

FY2011 3<sup>rd</sup> Quarter

Business Results

(April – December, 2011)

Kenkichi Kosakai

Board Director

Managing Executive Officer

January 31, 2012



Mitsubishi Tanabe Pharma

# **Q3 FY2011 Business Results Outline**

## **(Ending March 31, 2012)**

A decorative horizontal bar with a blue-to-teal gradient, starting as a solid dark blue on the left and fading to a light teal on the right.

# Q3 FY2011 Financial Results

【April to December, 2011】

New Value Creation



	FY2011	FY2010	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	<b>315.7</b>	319.5	-3.8	-1.2	405.0	78.0
Cost of sales	<b>119.3</b>	122.4	-3.0	-2.5	150.0	79.6
Sales cost ratio	<b>37.8%</b>	38.3%			37.0%	
Gross operation profit	<b>196.4</b>	197.1	-0.7	-0.4	255.0	77.0
SG&A	<b>136.4</b>	128.2	+8.2	+6.4	187.0	73.0
Operating income	<b>59.9</b>	68.8	-8.9	-13.0	68.0	88.1
Ordinary income	<b>60.3</b>	69.3	-9.0	-13.0	68.0	88.8
Net income	<b>35.8</b>	39.2	-3.4	-8.7	37.5	95.6

\* : Full-year forecasts announced on Jul. 29, 2011 in the financial results for Q1 FY2011

# Sales by Business Segment

New Value Creation



【Q3 FY2011 Financial Results, April to December, 2011】

	FY2011	FY2010	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	<b>315.7</b>	319.5	-3.8	-1.2	405.0	78.0
[Overseas sales]	<b>[20.5]</b>	[19.6]	[+0.9]	[+4.7]	[27.0]	[76.1]
Pharmaceuticals	<b>308.3</b>	312.3	-4.0	-1.3	395.5	78.0
Ethical drugs domestic sales	<b>278.5</b>	282.6	-4.1	-1.5	358.0	77.8
Ethical drugs overseas sales	<b>13.8</b>	16.3	-2.4	-15.2	18.5	74.9
OTC	<b>4.3</b>	4.4	0.0	-1.0	5.0	87.2
Others	<b>11.5</b>	8.9	+2.6	+29.3	14.0	82.4
Other Businesses	<b>7.4</b>	7.2	+0.2	+2.8	9.5	78.0

\* : Full-year forecasts announced on Jul. 29, 2011 in the financial results for Q1 FY2011

# Ethical Drugs Domestic Sales of Main Products

New Value Creation



[Q3 FY2011 Financial Results, April to December, 2011]

		FY2011	FY2010	Increase/decrease		Full-year forecasts	Achieved
		Billion yen	Billion yen	Billion yen	%		%
Ethical drugs domestic sales		<b>278.5</b>	282.6	-4.1	-1.5	358.0	77.8
Priority products	Remicade	<b>50.9</b>	46.7	+4.2	+9.1	66.4	76.7
	Radicut	<b>18.7</b>	22.3	-3.6	-16.3	23.7	79.0
	Anplag	<b>12.1</b>	13.0	-0.8	-6.2	15.0	81.1
	Maintate	<b>10.6</b>	9.4	+1.1	+12.5	13.4	78.9
	Talion	<b>9.2</b>	8.3	+0.9	+11.1	14.5	63.5
	Tanatril	<b>6.6</b>	7.7	-1.0	-13.9	8.2	81.2
New	Kremezin*1	<b>9.0</b>	-	+9.0	-	12.2	74.3
Vaccines		<b>24.5</b>	24.3	+0.1	+0.8	29.5	82.9
	[Mearubik]	<b>[7.4]</b>	[9.0]	[-1.5]	[-17.3]	[10.0]	[74.4]
	[JEVIK V]	<b>[6.1]</b>	[5.3]	[+0.8]	[+15.1]	[8.5]	[72.3]
	[Influenza]	<b>[8.7]</b>	[7.6]	[+1.0]	[+14.2]	[8.2]	[106.1]
Generics*2		<b>13.4</b>	10.1	+3.2	+32.2	17.3	77.4
Licensing fee, etc		<b>5.0</b>	1.7	+3.2	+186.7	6.0	83.3

\*1: In FY2010, Daiichi Sankyo sold Kremezin on consignment from MTPC, however, we do not disclose this sales.

\*2: Generics, and the long-listed drugs which were transferred from MTPC

# Cost of Sales/SG&A Expenses

New Value Creation



【Q3 FY2011 Financial Results, April to December, 2011】

	FY2011	FY2010	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Net sales	<b>315.7</b>	319.5	-3.8	-1.2	405.0	78.0
Cost of sales	<b>119.3</b>	122.4	-3.0	-2.5	150.0	79.6
Sales cost ratio	<b>37.8%</b>	38.3%			37.0%	
Gross operation profit	<b>196.4</b>	197.1	-0.7	-0.4	255.0	77.0
SG&A	<b>136.4</b>	128.2	+8.2	+6.4	187.0	73.0
R&D expenses	<b>51.6</b>	47.5	+4.0	+8.5	69.0	74.8
Labor cost	<b>38.8</b>	38.2	+0.5	+1.5	51.5	75.4
Amortization of goodwill	<b>7.5</b>	7.6	0.0	-0.1	10.0	76.0
Others	<b>38.4</b>	34.8	+3.6	+10.4	56.5	68.0
Operating income	<b>59.9</b>	68.8	-8.9	-13.0	68.0	88.1

\* : Full-year forecasts announced on Jul. 29, 2011 in the financial results for Q1 FY2011

# Non-operating Income and Loss/ Extraordinary Income and Loss

【Q3 FY2011 Financial Results, April to December, 2011】

New Value Creation



	FY2011	FY2010	Increase/decrease		Full-year forecasts*	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Operating income	<b>59.9</b>	68.8	-8.9	-13.0	68.0	88.1
Non-operating income & loss	<b>0.4</b>	0.5	0.0			
Ordinary income	<b>60.3</b>	69.3	-9.0	-13.0	68.0	88.8
Extraordinary income	-	0.6	-0.6		-	
Extraordinary loss	<b>3.3</b>	6.3	-3.0		4.5	74.3
Impairment loss	<b>2.9</b>	0.3	+2.5			
Loss on valuation investments in securities	<b>0.1</b>	4.2	-4.1			
Others	<b>0.3</b>	1.7	-1.4			
Net income	<b>35.8</b>	39.2	-3.4	-8.7	37.5	95.6

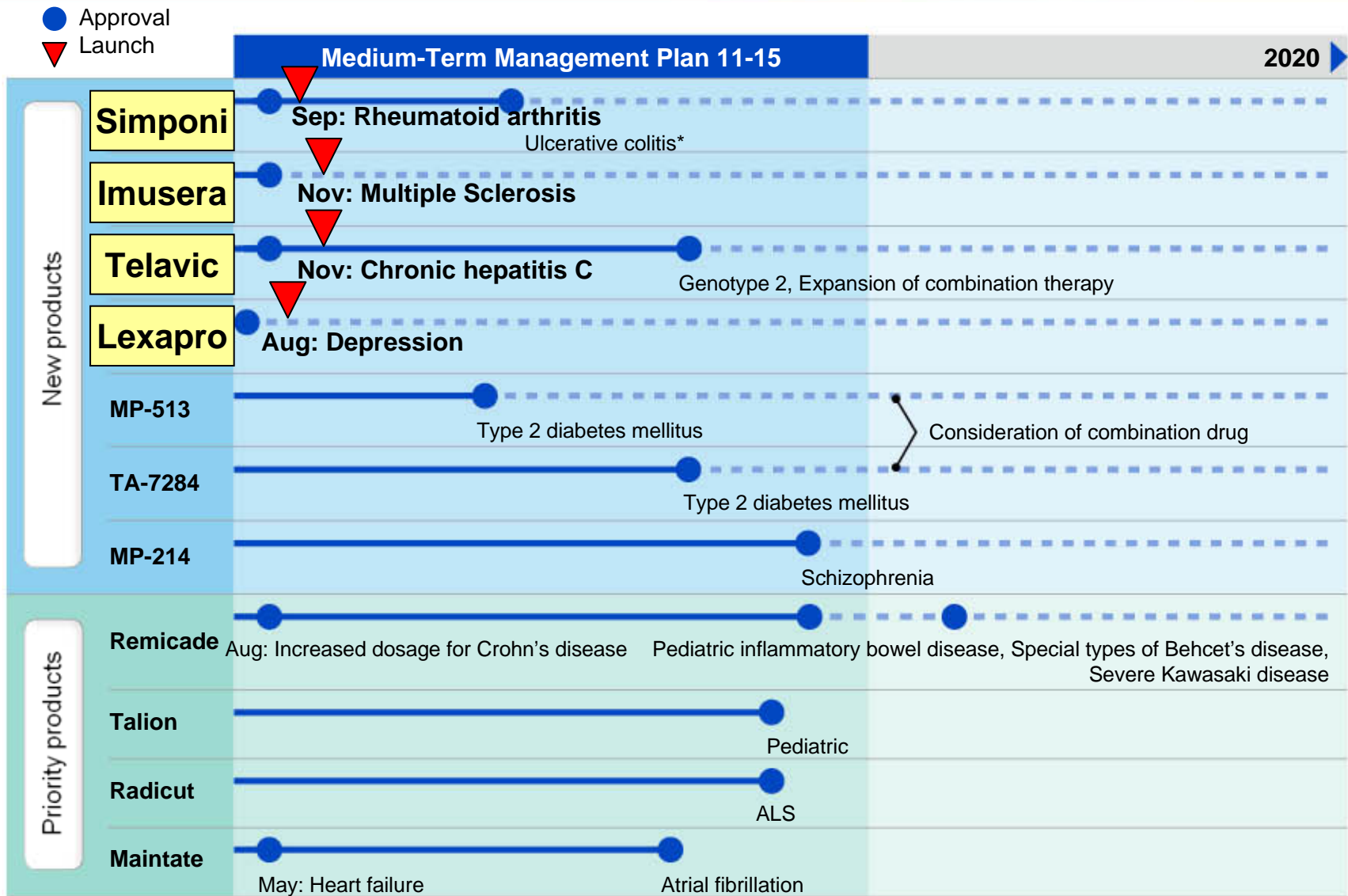
\* : Full-year forecasts announced on Jul. 29, 2011 in the financial results for Q1 FY2011

# New Products launched in FY2011

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# Growth Drivers in Domestic Operations



\* Under development by Janssen Pharmaceutical

- **Lexapro:** Depression, Depressive symptoms
  - Launched in Aug. 2011 (Co-marketing with Mochida Pharmaceutical)
  - High evaluation in the clinical settings in Japan as well as overseas
  - Aiming top share among SSRIs by 3 companies' sales forces with Mochida, and Yoshitomiyakuhin, our subsidiary of top class presence in psychiatric area.
- **Simponi:** Rheumatoid Arthritis
  - Launched in Sep. 2011 (Co-marketing with Janssen Pharmaceutical)
  - Penetrated in the market relatively quickly at the launch, compared to those of preceding competitors.
  - Aiming the first line drug among subcutaneous biologics in RA specialist DRs early.

- **Telavic: Chronic Hepatitis C**

- Launched in Nov. 2011
- Thoroughly providing information on appropriate usage and implementing all-patient PMS (n=3,000).
- Registrations of all-patient PMS have steadily progressed.  
(As of Jan. 30, contracted institutions: n=363, patient registrations: n=532)
- ADRs: within the scope of the assumption.

- **Imusera: Multiple Sclerosis**

- Launched in Nov. 2011 (Co-marketing with Novartis Pharma)
- Thoroughly providing information on appropriate usage and implementing all-patient PMS (n=1,000 for two companies).
- Registrations of all-patient PMS have steadily progressed.  
(As of Jan. 22, contracted institutions: n=84, patient registrations: n=73)

# Development Pipeline



# Status of New Product Development

New **Value** Creation



【Main changes since previous announcement on October 31, 2011】

## In-house developed

### ◆ **Telavic** (NS3-4A protease inhibitor)

Additional indications: Chronic hepatitis C (Genotype 2)

P3 in Japan (Dec. 2011)

## Co-developed (The Research Foundation for Microbial Diseases of Osaka University, BIKEN)

### ◆ **BK-4SP** (Pertussis-diphtheria-tetanus-inactivated polio combined vaccine)

Prophylaxis of pertussis, diphtheria, tetanus and polio

Filed in Japan (Nov. 2011)

## Co-developed (Alfresa Pharma)

### ◆ **Modiodal** (Sleep disorder therapeutic agent)

Additional indications:

Excessive diurnal sleepiness accompanied with OSAS\*1  
under treatment for airway obstruction by CPAP\*2

Approved in Japan (Nov. 2011)

\*1 OSAS: Obstructive Sleep Apnea Syndrome, \*2 CPAP: Continuous Positive Airway Pressure

## Licensing-in (Tanabe Indonesia)

### ◆ **Livalo** (HMG-CoA reductase inhibitor)

Primary hyperlipidemia, mixed dyslipidemia

Approved in Indonesia (Nov. 2011) 12

## Type 2 diabetes drug: MP-513

- Licensing out to Handok Pharmaceuticals, Korea, in Sep. 2011.
- Maximize MP-513 product value by means of Handok's strong development and marketing capability in Korean diabetes field (No.1 sales in Korean diabetes market).

## Antipruritic agent: MT-9938\*

\*: Toray Development Code: TRK-820

- Licensing-in from Toray, Japan, for North American market in Oct. 2011.
- Expanding the pipelines in the renal field, our strategic disease area in the US.
- MT-9938 shows good effects on itching in hemodialysis patients, which conventional agents, like antihistamines, cannot fully suppress.

## Hib vaccine: HibTITER

- Licensing-in from Nuron Biotech, US, for Japanese market in Dec. 2011.
- The prevention through vaccination is important, because infant meningitis caused by Hib infection, in severe cases, may leave long-lasting sequela or be fatal.
- To develop monovalent HibTITER and then the combined vaccine.

# *New Value Creation*

**Becoming a “Company that Can Continue to Create New Value”**



### **Cautionary Statement**

**The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the company and is subject to significant risks and uncertainties.**